

To: File
From: Michael Jensen, DOE GC-71
Date: July 28, 2010
Re: Ex parte discussion with PFS Corporation

On July 28, 2010, Michael Jensen (GC-71), Harry Indig (EE-2J), and Dave Conover (PNL) spoke with Matthew Weidner and Paul Tibbits, both of PFS Corporation, on their company's role as both a production inspection primary inspection agency (IPIA) and as a design approval primary inspection agency (DAPIA) under the U.S. Department of Housing and Urban Development (HUD) manufactured housing program.

First, Mr. Weidner explained how PFS conducts DAPIA- and IPIA-related reviews of manufactured homes. He estimated that ninety-five percent of manufacturers have the capability of applying certification labels. Mr. Weidner mentioned that although there used to be a problem with manufacturers complying with the HUD standards approximately ten to fifteen years ago, this has not been the case recently due, in part, to HUD's recent focus on improving quality assessment in plants. He explained that if a manufacturer is found not to be in compliance, either the whole plant or an individual station within a plant is placed on a more frequent inspection schedule.

Mr. Weidner noted that PFS only performs onsite inspections of alternative construction and ENERGY STAR homes. He explained that consumer complaints usually focused on construction-related issues where the manufacturer, dealer, or distributors were at fault for not following DAPIA instructions. He also noted no recent complaints involving energy-related issues.

Mr. Weidner stated that manufacturers generally produce two types of homes: high and low-income homes. He noted that less than one percent of homes included renewable systems, but guessed that these systems likely were included post-occupancy.

Mr. Weidner also noted that many plants build homes that both meet, or come close to meeting, ENERGY STAR standards. He mentioned that the inspection cost for inspection of an ENERGY STAR home is approximately \$1,500 to \$2,000 depending upon the home. He also noted that fees charged by DAPIAs and IPIAs were fixed rates that also account for travel expenses.

Mr. Weidner next noted that PFS also inspects modular housing, and although both the modular and manufactured housing industries have been in decline in recent years, he has noted an increase in production this year. Regarding the possibility of DOE placing additional responsibilities on IPIAs and DAPIAs to conduct further energy-related reviews, he noted that PFS inspectors could require additional training.

Mr. Weidner mentioned that homes destined for southern climates predominately used 2x4 constructions whereas homes destined for northern climates largely used 2x6. He noted the difficulties of estimating what the typical window-to-wall ratio is among inspected homes, but that they usual use approximately 200 to 250 ft² of glazing. Mr. Weidner explained that

approximately sixty percent of the manufactured homes that PFS inspects are doublewide homes, that less than five percent of homes are triple wide or quads, and that PFS does not typically inspect homes with trust roofs.

Finally, Mr. Weidner mentioned that the last time HUD changed its code, it gave the industry a six-month interim period of optional compliance effective six months after promulgation of its regulations, after which time compliance became mandatory.

End of conversation.